

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: VERIZON RHODE ISLAND
ALTERNATIVE REGULATION PLAN

DOCKET NO. 3445

NOTICE OF PUBLIC HEARING

Pursuant to the provisions of Sections 39-1-1 and 39-3-11 of the General Laws, as amended, the Public Utilities Commission (“Commission”) will conduct a public hearing on **Tuesday, November 19, 2002 at 10:00 AM** in the first floor hearing room of the Public Utilities Commission, 89 Jefferson Boulevard, Warwick, Rhode Island. The hearing may continue thereafter from day to day and time to time as required.

In this docket, the Commission will consider and review the propriety of a filing made by Verizon Rhode Island (“Verizon”) seeking approval to establish an Alternative Regulation Plan (“ARP”) methodology by which the Commission will regulate the intrastate services Verizon offers under tariff in Rhode Island. The proposed ARP will provide Verizon with pricing flexibility and Verizon’s tariffed services will be set by market-based prices. Under the APR, Verizon’s offers the following:

- To continue to subsidize up to \$1 million of funding, for data network access for public and not-for-profit K-12 schools and public libraries for the period January 1, 2003 through June 30, 2003. Going forward, Verizon proposes that funding for this program be borne by all telecommunications carriers in the state.
- That Primary Basic Service Exchange rates will not increase by more than \$2.00 per line for two years. Subsequent to two-year period, pricing for these services will be at the discretion of Verizon in response to market conditions.

- That residence measured local usage rate will be capped at current levels for a period of two years. Subsequent to two-year period, pricing for these services will be at the discretion of Verizon in response to market conditions.
- That aggregate rates associated with all intrastate Switched Access Services will be capped at the current level.
- That the Lifeline Service Credit will be increased by an amount equal to any increase in the Primary Basic Service Exchange rate implemented.
- That existing and new retail services offerings will be subject to market-based prices.
- That prices to unbundled network elements and interconnection with the Verizon's facilities and equipment, and wholesale (resale) discount will be set in accordance with the Federal Telecommunications Act of 1996.
- Verizon's regulated retail services costs and revenues will be adjusted to reflect the impact of an exogenous event subject to Commission review and approval.

The proposal is on file for examination at the Commission's office and at the office of Verizon Rhode Island, 234 Washington Street, Providence, Rhode Island.

Reference is made to Chapters 39-1, 39-3 and 42-35 of the Rhode Island General Laws; specifically Sections 39-1-7, 39-1-8, 39-1-11, 39-1-12, 39-1-18, 39-1-20, 42-35-8, 42-35-9 and 42-35-10.

THE PUBLIC UTILITIES COMMISSION IS ACCESSIBLE TO THE HANDICAPPED. INDIVIDUALS REQUESTING INTERPRETER SERVICES FOR THE HEARING AND SPEECH IMPAIRED MUST NOTIFY THE COMMISSION CLERK'S OFFICE AT 941-4500, SEVENTY-TWO HOURS IN ADVANCE OF HEARING DATE.

Luly E. Massaro
Commission Clerk
November 3, 2002